

CHAPTER 3. POLITICAL ENVIRONMENT

NATURE OF POLITICAL RELATIONSHIP WITH THE U.S.

Friendly bilateral relations between Thailand and the United States date back more than 150 years. The economic and security aspects of this relationship remain important for both countries. The United States is Thailand's most important export market and strong trade relations, with continuing U.S. support, are seen as key to Thailand's recovery from the recent economic downturn. On the security front, there have been strong ties since the end of World War II. Thailand, one of America's five treaty allies in the Asia-Pacific region, sent troops to Korea and Vietnam, provided strong support for our efforts in the Persian Gulf, and played a leading role in the East Timor peacekeeping operation. The two countries maintain an extensive bilateral military exercise program, and many Thai military officers receive training in the U.S. each year. American equipment is still the technology of choice for most Thai military purchases.

The U.S. and Thailand also work together to address a range of economic issues, including protection of intellectual property rights. Increasingly, cooperative efforts with Thailand on regional economic and security matters are undertaken through multilateral for a, such as the Asia-Pacific Economic Cooperation forum (APEC) and the ASEAN Regional Forum (ARF), complementing bilateral consultations.

MAJOR POLITICAL ISSUES AFFECTING BUSINESS CLIMATE

Thailand's external political view is increasingly centered on the development of a stronger regional economic and security foundation. Thailand is a major force in the Association of Southeast Asian Nations (ASEAN) and plays an active role in regional economic organizations such as the Asia-Pacific Economic Cooperation forum (APEC) and international organizations such as the World Trade Organization (WTO). With little immediate military threat to its sovereignty, Thailand has focused its international policy on trade development and investment, while addressing security concerns by strengthening bilateral ties with its neighbors and reducing tensions regionally through ASEAN and the ASEAN Regional Forum (ARF).

The current government, a three-party coalition led by Prime Minister Thaksin Shinawatra of the Thai Rak Thai party, took office in February 2001, following Thai Rak Thai's resounding victory in the January 6, 2001, general election. Thaksin's successful campaign focused on stimulating economic growth, combating the influx of methamphetamines from Burma, and improving Thailand's relations with neighboring countries. Public perceptions that the Thai economy was not recovering as quickly as it should have from the 1997 financial crisis played an important role in Thaksin's victory.

SYNOPSIS OF POLITICAL SYSTEM, SCHEDULE OF ELECTIONS AND ORIENTATION OF MAJOR POLITICAL PARTIES

Thailand is a constitutional monarchy ruled by King Bhumibol Adulyadej (Rama IX), a much-revered monarch who has reigned since 1946. The King plays little part in day-to-day government operations, but serves as a powerful symbol of Thai national identity and commands enormous moral authority, which he uses on occasion to resolve internal crises or to draw the government's attention to pressing social problems. Real power, however, lies in the hands of a democratically elected government led by a Prime Minister. Since World War II, Thailand has alternated periods of democratically-elected civilian governments with authoritarian rule brought about by coups-d'etat. The military last seized power in 1991, but after middle-class protests and royal intervention, civilian rule was restored in 1992. Since that time, the military's role in politics has been greatly reduced, due to strong public opinion against coups d'etat, a vocal free press, and Thailand's overall political maturation. One of the most significant steps in that maturation was the enactment of the current constitution in 1997. This constitution, Thailand's 16th since 1932, brought substantial reforms to the Thai political process and expanded the rights and civil liberties of Thai citizens. Reforms mandated by the 1997 constitution, including establishment of a National Counter Corruption Commission, a Constitutional Court, a national Human Rights Commission, and a new national Election Commission have helped Thailand move toward a more transparent and open system of government.

National elections for Members of Parliament were last held on January 6, 2001. The maximum term of Parliament extends for four years. However, the Prime Minister may choose to dissolve the House and call elections before that date. Elections for the country's first elected Senate were held in March 2000. All members of the Senate are elected concurrently for a set term of six years, and members are not eligible for reelection.

With the exception of the Democrat Party, Thailand's oldest organized political party, Thai political parties have tended to be centered on individual personalities rather than ideologies. Prime Minister Thaksin's Thai Rak Thai, which was formed in 1999, has adopted an approach to political and economic reforms that most commentators describe as populist. All Thai parties accept working within a framework of democratic principles and free enterprise economics. Frequent changes in government generally have not affected the country's overall stability, largely because policies, for the most part, are designed and executed by a competent professional bureaucracy. Meanwhile, the democratic ethos continues to develop and expand in Thailand, in spite of economic setbacks.